

REFERENCE TITLE: taxpayer bill of rights

State of Arizona  
Senate  
Forty-ninth Legislature  
First Regular Session  
2009

# SCR 1011

Introduced by  
Senators Pearce, Gray C, Harper; Representative Burges; Senators Allen S,  
Verschoor; Representatives Lesko, Montenegro, See1

## A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX,  
SECTION 17, CONSTITUTION OF ARIZONA; RELATING TO PUBLIC DEBT, REVENUE AND  
TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of  
2 Representatives concurring:

3 1. Article IX, section 17, Constitution of Arizona, is proposed to be  
4 amended as follows if approved by the voters and on proclamation of the  
5 Governor:

6 17. Economic estimates commission; limitation on  
7 appropriation of state revenues; definition of  
8 state revenues

9 Section 17. ~~(1)~~ A. The economic estimates commission  
10 shall be established by law, with a membership of not to exceed  
11 three members. ~~, and shall determine and publish prior to~~

12 B. BY February 1 of each year the ~~estimated~~ COMMISSION  
13 SHALL DETERMINE AND PUBLISH A PRELIMINARY ESTIMATE OF THE total  
14 ~~personal income~~ STATE REVENUES for the following fiscal year.  
15 By April 1 of each year the commission shall determine and  
16 publish a final estimate of the total ~~personal income~~ STATE  
17 REVENUES for the following fiscal year. ~~, which THE FINAL~~  
18 estimate shall be used in computing the appropriations limit for  
19 the legislature UNDER THIS SECTION. ~~For the purposes of this~~  
20 ~~section, "total personal income" means the dollar amount that~~  
21 ~~will be reported as total income by persons for the state of~~  
22 ~~Arizona by the U. S. department of commerce or its successor~~  
23 ~~agency.~~

24 C. EXCEPT AS OTHERWISE PROVIDED BY THIS SECTION,  
25 BEGINNING WITH FISCAL YEAR 2011-2012, THE AMOUNT OF STATE  
26 REVENUES THAT MAY BE APPROPRIATED BY THE LEGISLATURE SHALL NOT  
27 EXCEED THE AMOUNT OF STATE REVENUE APPROPRIATIONS FOR THE  
28 PRECEDING FISCAL YEAR, ADJUSTED BY THE SUM OF THE FOLLOWING  
29 PERCENTAGES:

30 1. THE POSITIVE OR NEGATIVE PERCENTAGE CHANGE FOR THE  
31 MOST RECENT AVAILABLE TWELVE MONTH PERIOD IN THE POPULATION OF  
32 THIS STATE. FOR THE PURPOSES OF THIS PARAGRAPH, THE ECONOMIC  
33 ESTIMATES COMMISSION SHALL DETERMINE THE POPULATION OF THIS  
34 STATE BY USING ONLY THE MOST RECENT DATA FROM THE UNITED STATES  
35 DECENNIAL CENSUS OR ONLY THE AVERAGE OF THE ANNUAL REVISIONS OF  
36 POPULATION DATA BY THE DEPARTMENT OF ECONOMIC SECURITY, OR ITS  
37 SUCCESSOR, AND DEMOGRAPHIC PUBLICATIONS OF STATE UNIVERSITIES.

38 2. THE POSITIVE OR NEGATIVE PERCENTAGE CHANGE FOR THE  
39 MOST RECENT AVAILABLE TWELVE MONTH PERIOD IN THE COST OF  
40 LIVING. FOR THE PURPOSES OF THIS PARAGRAPH, THE ECONOMIC  
41 ESTIMATES COMMISSION SHALL DETERMINE THE COST OF LIVING BY USING  
42 ONLY THE IMPLICIT PRICE DEFLATOR FOR THE GROSS DOMESTIC PRODUCT  
43 OR THE GROSS STATE PRODUCT FOR ARIZONA, WHICHEVER INDEX IS  
44 GREATER, OR A SUCCESSOR INDEX, AS REPORTED BY THE RESPONSIBLE  
45 AGENCY OF THE UNITED STATES GOVERNMENT. THE ECONOMIC ESTIMATES

1 COMMISSION MAY TAKE INTO ACCOUNT MINOR TECHNICAL ADJUSTMENTS TO  
2 THE INDEX THAT ARE MADE OCCASIONALLY BY THE UNITED STATES  
3 GOVERNMENT.

4 D. THE LIMITATION ON STATE REVENUE APPROPRIATIONS  
5 PRESCRIBED BY SUBSECTION C OF THIS SECTION MAY BE SUSPENDED FOR  
6 ONE FISCAL YEAR AS FOLLOWS:

7 1. ON APPROVAL BY THE QUALIFIED ELECTORS OF THIS STATE AT  
8 A REGULAR STATEWIDE GENERAL ELECTION, OR AT A SPECIAL STATEWIDE  
9 ELECTION CALLED FOR THAT PURPOSE IN THE MANNER PRESCRIBED BY  
10 LAW. THE PROPOSAL TO SUSPEND THE LIMITATION MUST BE SUBMITTED  
11 TO THE QUALIFIED ELECTORS ON THE AFFIRMATIVE VOTE OF AT LEAST  
12 TWO-THIRDS OF THE MEMBERS OF EACH HOUSE OF THE LEGISLATURE WITH  
13 THE APPROVAL OF THE GOVERNOR. THE APPROVAL BY THE ELECTORS  
14 UNDER THIS PARAGRAPH MUST OCCUR BEFORE THE LEGISLATURE  
15 APPROPRIATES MONIES IN EXCESS OF THE LIMITATION THAT WOULD  
16 OTHERWISE APPLY. THE LIMITATION ON STATE REVENUE APPROPRIATIONS  
17 FOR THE FISCAL YEAR FOLLOWING THE SUSPENSION SHALL BE BASED ON  
18 THE AMOUNT OF THE LIMITATION THAT WOULD HAVE APPLIED IF THE  
19 SUSPENSION HAD NOT BEEN APPROVED, EXCEPT THAT IF SUSPENSIONS OF  
20 THE LIMITATION ARE SEPARATELY APPROVED FOR THREE CONSECUTIVE  
21 FISCAL YEARS, THE LIMITATION IN THE FOLLOWING FISCAL YEAR SHALL  
22 BE BASED ON THE ACTUAL AMOUNT OF STATE REVENUE APPROPRIATIONS IN  
23 THE THIRD FISCAL YEAR OF THE SUSPENSION.

24 2. IN THE CASE OF A DECLARED EMERGENCY AND BY A VOTE OF  
25 AT LEAST THREE-FOURTHS OF THE MEMBERS OF EACH HOUSE OF THE  
26 LEGISLATURE WITH THE APPROVAL OF THE GOVERNOR. MONIES  
27 APPROPRIATED PURSUANT TO THIS PARAGRAPH IN EXCESS OF THE  
28 LIMITATION THAT WOULD OTHERWISE APPLY:

29 (a) MAY BE USED ONLY TO PAY CURRENT EXTRAORDINARY  
30 NONRECURRING EXPENSES THAT COULD NOT HAVE BEEN REASONABLY  
31 FORESEEN OR PREVENTED AND THAT ARE REQUIRED IMMEDIATELY TO  
32 PRESERVE THE HEALTH, SAFETY AND GENERAL WELFARE OF THE PEOPLE.

33 (b) MAY NOT BE USED TO PAY THE ORDINARY COSTS OF  
34 ADMINISTERING, MAINTAINING OR OPERATING STATE GOVERNMENT OR ITS  
35 POLITICAL SUBDIVISIONS OR TO MEET REVENUE OR BUDGET SHORTFALLS  
36 OF STATE GOVERNMENT OR ITS POLITICAL SUBDIVISIONS.

37 E. THE LEGISLATURE MAY APPROPRIATE MONIES IN EXCESS OF  
38 THE LIMITATION ON STATE REVENUE APPROPRIATIONS PRESCRIBED BY  
39 SUBSECTION C OF THIS SECTION FOR THE PURPOSES OF:

40 1. A STATE BUDGET STABILIZATION FUND. THE BUDGET  
41 STABILIZATION FUND SHALL NOT EXCEED IN ANY FISCAL YEAR AN AMOUNT  
42 EQUAL TO TEN PER CENT OF THE AMOUNT OF THE CURRENT LIMIT ON  
43 STATE REVENUE APPROPRIATIONS PRESCRIBED BY SUBSECTION C OF THIS  
44 SECTION.

1           2. A STATE EMERGENCY FUND. THE EMERGENCY FUND SHALL NOT  
2 EXCEED IN ANY FISCAL YEAR AN AMOUNT EQUAL TO FIVE PER CENT OF  
3 THE AMOUNT OF THE CURRENT LIMIT ON STATE REVENUE APPROPRIATIONS  
4 PRESCRIBED BY SUBSECTION C OF THIS SECTION.

5           3. ANY PROGRAM ESTABLISHED BY LAW TO PROPORTIONATELY  
6 REFUND EXCESS STATE REVENUES TO TAXPAYERS IN THIS STATE.

7           F. ANY RESIDENT TAXPAYER OF THIS STATE HAS STANDING IN  
8 COURT TO ENFORCE THE LIMITATION ON STATE REVENUE APPROPRIATIONS  
9 PRESCRIBED BY SUBSECTION C OF THIS SECTION.

10          ~~(2)~~ G. For THE purposes of this section, "state  
11 revenues":

12          ~~(a)~~ 1. ~~Include~~ INCLUDES all monies, revenues, fees,  
13 fines, penalties, funds, tuitions, property and receipts of any  
14 kind whatsoever received by or for the account of the state or  
15 any of its agencies, departments, offices, boards, commissions,  
16 authorities, councils and ~~insitutions~~ INSTITUTIONS except as  
17 provided in this subsection.

18          ~~(b)~~ 2. ~~Do~~ DOES not include:

19          ~~(i)~~ (a) Any amounts or property received from the  
20 issuance or incurrence of bonds or other lawful long-term  
21 obligations issued or incurred for a specific purpose. For the  
22 purpose of this subdivision long-term obligations shall not  
23 include warrants issued in the ordinary course of operation or  
24 registered for payment by the state.

25          ~~(ii)~~ (b) Any amounts or property received as payment of  
26 dividends or interest.

27          ~~(iii)~~ (c) Any amounts or property received by the state  
28 in the capacity of trustee, custodian or agent.

29          ~~(iv)~~ (d) Any amounts received from employers for deposit  
30 in the unemployment compensation fund or any successor fund.

31          ~~(v)~~ (e) Any amounts collected by the state for  
32 distribution to counties, cities and towns without specific  
33 restrictions on the use of the ~~funds~~ MONIES other than the  
34 restrictions included in section 14 of this article.

35          ~~(vi)~~ (f) Any amounts received as grants, aid,  
36 contributions or gifts of any type, except voluntary  
37 contributions or other contributions received directly or  
38 indirectly in lieu of taxes.

39          ~~(vii)~~ (g) Any amounts received as the proceeds from the  
40 sale, lease or redemption of property or as consideration for  
41 services or the use of property.

42          ~~(viii)~~ (h) Any amounts received pursuant to a transfer  
43 during a fiscal year from another agency, department, office,  
44 board, commission, authority, council or institution of the  
45 state which were included as state revenues for such fiscal year

1 or which are excluded from state revenue under other provisions  
2 of this subsection.

3 ~~(ix)~~ (i) Any amounts attributable to an increase in the  
4 rates of tax subsequent to July 1, 1979 on vehicle users,  
5 gasoline and diesel fuel which were levied on July 1, 1979.

6 ~~(x)~~ (j) Any amounts received during a fiscal year as  
7 refunds, reimbursements or other recoveries of amounts  
8 appropriated which were applied against the appropriation  
9 limitation for such fiscal year or which were excluded from  
10 state revenues under other provisions of this subsection.

11 ~~(3) The legislature shall not appropriate for any fiscal~~  
12 ~~year state revenues in excess of seven per cent of the total~~  
13 ~~personal income of the state for that fiscal year as determined~~  
14 ~~by the economic estimates commission. The limitation may be~~  
15 ~~exceeded upon affirmative vote of two-thirds of the membership~~  
16 ~~of each house of the legislature on each measure that~~  
17 ~~appropriates amounts in excess of the limitation. If the~~  
18 ~~legislature authorizes a specific dollar amount of appropriation~~  
19 ~~for more than one fiscal year, for the purpose of measuring such~~  
20 ~~appropriation against the appropriation limitation, the entire~~  
21 ~~amount appropriated shall be applied against the limitation in~~  
22 ~~the first fiscal year during which any expenditures are~~  
23 ~~authorized, and in no other fiscal year.~~

24 ~~(4) In order to permit the transference of governmental~~  
25 ~~functions or funding responsibilities between the federal and~~  
26 ~~state governments and between the state government and its~~  
27 ~~political subdivisions without abridging the purpose of this~~  
28 ~~section to limit state appropriations to a percentage of total~~  
29 ~~personal income, the legislature shall provide for adjustments~~  
30 ~~of the appropriation percentage limitation consistent with the~~  
31 ~~following principles:~~

32 ~~(a) If the federal government assumes all or any part of~~  
33 ~~the cost of providing a governmental function which the state~~  
34 ~~previously funded in whole or in part, the appropriation~~  
35 ~~limitation shall be commensurately decreased.~~

36 ~~(b) If the federal government requires the state to~~  
37 ~~assume all or any part of the cost of providing a governmental~~  
38 ~~function the appropriation limitation shall be commensurately~~  
39 ~~increased.~~

40 ~~(c) If the state assumes all or any part of the cost of~~  
41 ~~providing a governmental function and the state requires the~~  
42 ~~political subdivision, which previously funded all or any part~~  
43 ~~of the cost of the function to commensurately decrease its tax~~  
44 ~~revenues, the appropriation percentage limitation shall be~~  
45 ~~commensurately increased.~~

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~~(d) If a political subdivision assumes all or any part of the cost of providing a governmental function previously funded in whole or in part by the state, the appropriation percentage limitation shall be commensurately decreased.~~

~~Any adjustments made pursuant to this subsection shall be made for the first fiscal year of the assumption of the cost. Such adjustment shall remain in effect for each subsequent fiscal year.~~

2. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article XXI, Constitution of Arizona.